



SAGE Annual Financial Report
January - December 2015

Following up on the improved financial performance in 2014, 2015 was another solid year for SAGE that saw positive net revenues. As detailed in Table 1 below, SAGE’s net assets grew by approximately \$4,000 in 2015. Expenses declined significantly in 2015 due to the graduation of scholars. Revenues also declined relative to 2014, but stayed above expenses so that SAGE’s cash flow remained positive.

SAGE’s liabilities all take the form of funds that are committed to future years of scholars’ studies. In 2015, the total liabilities dropped slightly with two scholars graduating and others progressing towards the end of their studies. Total liabilities at the end of the year dipped below total assets in hand, which indicates that SAGE is in a good position to meet all of its commitments to current scholars.

Table 1: Balance Sheet

| | <u>1-Jan-15</u> | <u>31-Dec-15</u> | <u>Change</u> |
|--------------------------------------|-----------------|------------------|---------------|
| Assets by account | | | |
| WF Checking Account | \$5,981.46 | \$6,164.82 | \$183.36 |
| ING Savings Account | \$20,098.82 | \$23,709.10 | \$3,610.28 |
| PayPal Account | \$265.52 | \$485.20 | \$219.68 |
| Total Assets | \$26,345.80 | \$30,359.12 | \$4,013.32 |
| Assets by restriction type | | | |
| Unrestricted Assets | \$20,847.80 | \$24,965.54 | \$4,117.74 |
| Restricted Assets | \$5,498.00 | \$5,393.58 | -\$104.42 |
| Total Assets | \$26,345.80 | \$30,359.12 | \$4,013.32 |
| Liabilities | | | |
| Remaining Scholar Funds Committed | \$27,000.00 | | |
| Cash Flow | | | |
| Revenues | \$14,168.39 | | |
| Expenses | \$10,155.07 | | |
| Net Cash Flow | \$4,013.32 | | |
| <i>** All assets are cash assets</i> | | | |

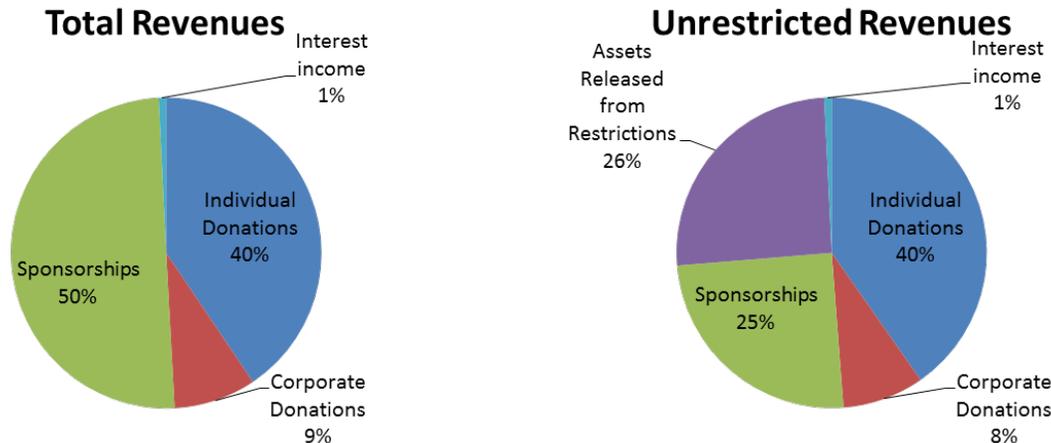
Table 1 also shows changes in unrestricted and restricted asset types that occurred during 2015. Restricted funds are classified as those that have been received from a donor, but will be put towards future years tuition payments for a specific scholarship recipient. Unrestricted funds carry no such obligation and are available to be put towards any of SAGE’s expenses. The portion of SAGE’s assets that are restricted decreased slightly from 20.9% of total assets in 2014 to 17.8% in 2015. Conversely, unrestricted revenues grew from 79.1% of total 2014 revenues to

82.2% in 2015. With just over 80% of SAGE’s assets in the unrestricted category, there is ample financial flexibility for the organization while still ensuring funds are secured for future years. Liabilities for SAGE include all future tuition payments for currently existing scholars. This amount is calculated using current tuition costs and assumes that all students will complete their degrees on schedule.

Figure 1 shows a graphical breakdown of SAGE’s revenues in 2015. Total revenues are displayed on the left, showing all new donations (both restricted and unrestricted) received in 2015. The diagram on the right shows only unrestricted revenues. This removes all monies received for future years of sponsorships, but also adds the restricted funds paid in previous years that were released from restrictions to pay scholar funds for this year. This amount is shown as “assets released from restrictions”.

Overall, Figure 1 shows that SAGE receives its revenue from three primary sources – individual donations, sponsorships and corporate donations. The largest of these are sponsorships and individual donations, which make up 50% and 40% of overall revenue, respectively. Over the past several years, an increasing share of revenue has come from sponsorships (50% in 2015 compared to 25% in 2014). This trend represents a conscious effort by SAGE to increase the number of sponsorships and reduce year-to-year volatility in revenue. Maintaining a healthy diversification between different sources also gives the organization greater stability since it does not rely on a single stream for fundraising.

Figure 1: Sources of Revenue



SAGE’s expenses for 2015 are broken down in Figure 2, below. This diagram shows that the organization has maintained low overhead costs with 97% of expenses going directly to scholars’ tuition, housing or other educational costs. The remaining 3% of expenses went to postage, banking fees and other administrative costs.

Figure 2: Sources of Expenses

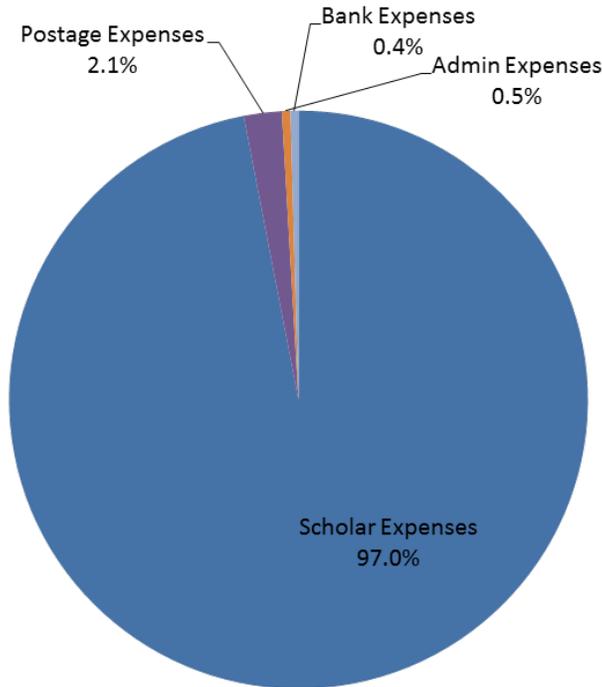


Table 2 provides a glimpse of the long-term trends in SAGE’s financial position by listing annual revenues and expenses broken out by sub-category for the past six years. Compared to past years, both gross and net revenue are above average and show that SAGE is in a stable financial position.

Table 2: SAGE Annual Revenues and Expenses, 2010-2015

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|----------------|-------------|------------|-------------|-------------|-------------|-------------|
| Scholar | \$3,768.63 | \$6,526.10 | \$7,743.75 | \$12,910.66 | \$17,141.79 | \$9,847.00 |
| Bank Fees | \$21.00 | \$40.00 | \$30.00 | \$120.00 | \$129.00 | \$48.05 |
| Postage Fees | \$2.82 | \$160.50 | \$68.74 | \$194.30 | \$127.97 | \$45.00 |
| Programming | \$59.12 | \$0.00 | \$85.00 | \$0.00 | \$120.00 | \$0.00 |
| Fundraising | \$706.81 | \$0.00 | \$146.28 | \$313.00 | \$0.00 | \$215.02 |
| Publicity | \$0.00 | \$0.00 | \$0.00 | \$268.00 | \$177.00 | \$0.00 |
| Total Expenses | \$4,558.38 | \$6,726.60 | \$8,073.77 | \$13,805.96 | \$17,695.76 | \$10,155.07 |
| | | | | | | |
| Individual | \$10,733.46 | \$6,385.60 | \$5,232.66 | \$6,132.64 | \$10,798.56 | \$5,748.22 |
| Corporate | \$604.79 | \$2,707.24 | \$1,293.40 | \$770.62 | \$5,199.36 | \$1,214.68 |
| Sponsorships | \$0.00 | \$0.00 | \$3,900.00 | \$4,340.00 | \$6,538.00 | \$7,095.21 |
| Interest | \$141.29 | \$152.56 | \$108.47 | \$93.23 | \$102.19 | \$110.28 |
| Total Revenue | \$11,479.54 | \$9,245.40 | \$10,534.53 | \$11,336.49 | \$22,638.11 | \$14,168.39 |
| | | | | | | |
| Net Revenue | \$6,921.16 | \$2,518.80 | \$2,460.76 | \$2,469.47 | \$4,942.35 | \$4,013.32 |

In terms of expenses, Table 2 shows that SAGE reduced its scholar expenditures in 2015 after five years of steady growth that peaked at a high of approximately \$17k in 2014. While other expenditures have come from varied categories over the years, these costs have remained low compared to the direct scholar expenses.

Revenues in 2015 were higher than any other year except for 2014, which shows that SAGE's fundraising capabilities are still strong. For the first time in 2015, money received as sponsorships was greater than individual donations. This continues the upwards trend in sponsorships that had been established in the past two years. After a significant increase in in 2014, corporate donations in 2015 returned to a level comparable to 2010-2013.

In 2016, SAGE is looking to build on the progress made in 2015. This will be made more difficult than past years due to the temporary loss of SAGE's California tax-exempt status due to a failure to file proper documentation and pay associated penalty fees in time. As a result, SAGE has disabled donations through its website until it is reinstated as a tax-exempt organization, which is expected in April.

This concludes the financial report of the Scholarship for Advanced Guyanese Education for the fiscal year of January through December of 2015. This report was prepared by the SAGE Finance committee from the books and records of the corporation without audit.